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EIGHTY-FOURTH REPORT

Lehigh Valley Railroad Company

For the Year Ended December 31, 1937

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Lehigh Valley Railroad Company

For the Year Ended December 31, 1937

Lehigh Valley Railroad Company

Board of Directors

JAMES F. BELL	THOMAS H. McINNERNEY
COLBY M. CHESTER	EFFINGHAM B. MORRIS, JR.
MORRIS L. CLOTHIER	NORMAN B. PITCAIRN
ALAN C. DODSON	GEORGE T. SLADE
ARTHUR C. DORRANCE	JOHN R. SPROUL
DUNCAN J. KERR, Ex-Officio	

Officers

D. J. KERR	PRESIDENT
C. E. HILDUM	EXECUTIVE VICE PRESIDENT
JOHN DUFFY	VICE PRESIDENT—TRAFFIC
G. H. FOSTER	VICE PRESIDENT—OPERATION
R. W. BARRETT	VICE PRESIDENT AND GENERAL COUNSEL
H. R. GERMAN	SECRETARY AND TREASURER
A. F. BAYFIELD	COMPTROLLER

LEHIGH VALLEY RAILROAD COMPANY

EIGHTY-FOURTH REPORT

Philadelphia, Pa., February 23, 1938.

To the Stockholders of the Lehigh Valley Railroad Company:

The Board of Directors submits herewith its report for the year ended December 31, 1937:

INCOME

Total Operating Revenues.....	\$48,618,849.32
Total Operating Expenses.....	37,179,197.46
Net Operating Revenue.....	\$11,439,651.86
Railway Tax Accruals.....	\$2,701,704.27
Equipment Rents—Net.....	2,384,294.00
Joint Facility Rents—Net.....	108,199.35
	<hr/> 5,194,197.62
Net Railway Operating Income.....	\$ 6,245,454.24
Other Income.....	1,059,313.66
Total Income.....	\$ 7,304,767.90
Deductions from Income.....	8,203,321.25
Net Income—Deficit.....	\$ 898,553.35

PROFIT AND LOSS

Balance, December 31, 1936.....	\$33,770,323.80
Transferred from Income.....	898,553.35
Tracks and Structures Retired.....	3,142,370.54
Miscellaneous	670,780.58
	<hr/>
Balance, December 31, 1937.....	\$29,058,619.33

Due to the lowered rate level in effect in 1937 and the many added costs imposed on your Company during 1937, there was a net income deficit of \$898,553.35 for the year 1937.

Gross revenue for the year 1937 was \$48,618,849.32, a decrease of one per cent., compared with 1936, in spite of the fact that the Company moved eight per cent. more ton miles in 1937 than in 1936.

The Interstate Commerce Commission terminated the application of the so-called freight emergency charges on December 31, 1936. As a result, the gross revenue of your Company was reduced in 1937 by approximately \$1,720,000.

Operating expenses for the year 1937 amounted to \$37,179,197.46, an increase of five per cent. compared with 1936.

LEHIGH VALLEY RAILROAD COMPANY

The operating ratio was 76 per cent. compared with 72 per cent. in 1936. The increase was due to the lowered rate level, increased wages and to greater equipment maintenance requirements.

Following the removal of the so-called emergency freight rates the railroads sought recovery of a part of the revenue through filing tariffs to increase rates on various commodities. The Commission authorized, late in the year, certain of these increases but there was little or no effect upon the revenues of your Company for 1937. The Commission refused to permit increases in rates on anthracite coal although it permitted an increase in rates on bituminous coal.

In the early part of 1937 wage increases were granted to New York pier employes by an Emergency Board appointed by the President of the United States.

On August 1st, 1937, an increase of five cents per hour was granted to all non-train service employes in a negotiation supervised by the National Mediation Board and on October 1st an increase of 44 cents per day was granted to train service employes in a similar proceeding in which the National Mediation Board conducted the negotiations.

The total annual wage increase due to these changes amounts to \$1,640,000.

The Railroad Retirement Act became effective on January 1, 1937, under which your Company paid to the Internal Revenue Department $2\frac{3}{4}$ per cent. of salary and wage payments up to \$300.00 per month per employe. The Company had to continue payment of pensions to employes from January 1st to June 30th, 1937, at a cost of \$101,687.46, after which the Federal Government took over such obligations. The annual cost of this imposition is \$650,000, less the cost of Lehigh Valley pensions heretofore paid voluntarily.

Under the unemployment provisions of the Social Security Act, your Company paid taxes of 2 per cent. of payrolls in 1937. In 1938 the Company will be required to pay 3 per cent. or a total of \$700,000.

At the end of 1937 bank loans totalled \$9,425,000. During the year all loans were transferred from the Reconstruction Finance Corporation to banks at lower interest rates.

Equipment Trusts "T" and "U" and the Pennsylvania Coal & Coke Corporation's Series "A" Notes were terminated by final payments of \$259,000. in 1937. Equipment Trust "V," 1934, held by Reconstruction Finance Corporation has been reduced from the original amount outstanding of \$5,100,000., to \$4,508,000. as of December 31, 1937. During the year Public Works Administration equipment repair notes (owned by the Reconstruction Finance Corporation) were reduced to \$1,333,000. by a principal payment of \$222,000. These notes were issued in 1934 and 1936 in the total amount of \$2,000,000.

The Railroad Credit Corporation loan was paid in 1937 and at the close of the year your Company had on deposit with the Corporation under the Marshalling and Distributing plan, \$342,964.86.

The State of New Jersey tax cases for the years 1932-1933 have been argued before the Circuit Court of Appeals, but no decision has

LEHIGH VALLEY RAILROAD COMPANY

been rendered. Testimony in the tax cases for 1934, 1935 and 1936 has been concluded in the United States District Court, at Trenton, N. J., but no decision has been handed down. Excessive railroad taxation, particularly in the State of New Jersey, is one of the most serious burdens imposed on your Company.

In November, 1937, the railroads applied to the Interstate Commerce Commission for an advance of 15% in freight rates (with certain limitations on coal, sugar, fruit, etc.) and it is expected that a decision will be reached on this application in February, 1938. At the same time the railroads requested authority to increase the passenger coach rate from 2 cents to 2½ cents per mile. Should the Commission approve the freight rate application it will merely restore freight rates to the level in effect in 1930-1931 and substantially all the increase in revenue will go to the Government in added taxes, (Social Security and Retirement Act), to the employes in wages and to pay for the higher cost of all materials—particularly bituminous fuel for which the price has been raised materially by the National Bituminous Coal Commission.

No conclusion has been reached in the claim against the German Government on account of the Black Tom explosion in 1916.

The Lehigh Valley Coal Company Five-Year Secured 6% Gold Notes, maturing January 1, 1938, were extended for a further period of five years. They were originally issued January 1, 1933, to finance the payment of the First Mortgage Bonds of that Company, maturing that date, which were guaranteed by your Company. \$6,340,000. of these notes were issued and were likewise guaranteed by your Company. That total has now been reduced by operation of the sinking fund to \$4,640,500., and of that amount your Company holds \$2,164,500.

During 1937, your Company built twenty new cabooses at Sayre and purchased from American Locomotive Company, ten twenty thousand gallon tenders. In the latter part of 1937 your Company acquired two 600 h.p. and two 900 h.p. diesel-electric switching locomotives from the Electro-Motive Corporation.

Eighty-nine new industries served by your railroad were located during the year. Of these, fifty-six are served by railroad sidings. Included in the total are twenty new tenants in Starrett-Lehigh Building in New York City and three in Bronx-Lehigh Building in New York City. In addition, twenty-nine Starrett-Lehigh Building tenants increased their space and three did likewise at Bronx-Lehigh Building.

Mr. E. E. Loomis was elected Chairman of the Board and Mr. D. J. Kerr was elected President on May 1, 1937.

Mr. Alfred H. Swayne, a Director, died on April 16, 1937.

Mr. E. E. Loomis, Chairman of the Board and a Director, died on July 11, 1937.

The loyal and efficient service rendered by officers and employes is appreciated and acknowledged with the thanks of the management.

For the Board of Directors,

D. J. KERR,
President.

**EXTRACT FROM MINUTES OF MEETING OF THE
BOARD OF DIRECTORS HELD MAY 5, 1937**

The President announced the death on April 16, 1937, of Alfred Harris Swayne, who had served as a Director of this Company since June 5, 1923, and as a member of its Executive and Finance Committee since January 15, 1934.

Whereupon, on motion, duly seconded, and by the affirmative vote of all present, the following minute was adopted:

In the death of Alfred Harris Swayne the Directors of the Lehigh Valley Railroad Company have lost a wise and experienced colleague and a loyal and well loved friend. This Board of Directors, therefore, desires to enduringly record their expression, necessarily inadequate, of their affection and admiration, resulting from many years of united effort, not only for a man, whose memory will long provide friendly influence for all those who were privileged to serve as his associates, but for one who gave generously of his time and good judgment in the interests of this Company.

**EXTRACT FROM MINUTES OF MEETING OF THE
BOARD OF DIRECTORS HELD SEPTEMBER 1, 1937**

The President announced the death on July 11, 1937, of Edward E. Loomis, Chairman of this Board of Directors and of its Executive and Finance Committee.

Whereupon, on motion, duly seconded, and by the affirmative vote of all present, the following minute was adopted:

The Directors of the Lehigh Valley Railroad Company desire to express their profound sorrow and regret on account of the death of Edward E. Loomis, who was elected President of this Company on February 21, 1917, and served in that capacity until May 5, 1937, a period of twenty years, when he was elected Chairman of this Board and of its Executive and Finance Committee.

Eminent as a Railroad Executive and noted for his integrity, sincerity and sound judgment, Mr. Loomis came to this Company at the difficult period of the World War and with keen intellect and ability, successfully directed the Company's affairs during that time and also during the vexatious period immediately following, when the road was returned to private ownership. He again displayed marked ability and wisdom in managing the property during the recent depression years.

Mr. Loomis was esteemed for his qualities of kindness and consideration for all with whom he came in contact and this Board desires to record the great personal loss of a valued and beloved associate and friend and its appreciation of his devotion to the affairs of this Company.

This Board directs that a copy of this minute be properly engrossed and sent to his family.

LEHIGH VALLEY RAILROAD COMPANY

GENERAL BALANCE SHEET

ASSETS		
INVESTMENTS:		
In road	(See Note below)	
In equipment.....	\$39,646,579.00	
	58,827,137.54	
Improvements on leased railway property		\$98,473,716.54
Miscellaneous physical property.....		2,301,271.48
Investments in affiliated companies:		125,668.16
Stocks	\$88,120,750.55	
Bonds	20,116,131.00	
Advances	9,721,794.70	
Other investments:		117,958,676.25
Stocks	\$628,446.62	
Bonds	64,857.00	
Notes	2,159,533.75	
Miscellaneous	614,696.32	
Total investments.....		3,467,533.69
		222,326,866.12
CURRENT ASSETS:		
Cash	\$2,739,667.63	
Special deposits.....	134,817.87	
Loans and bill receivable.....	4,678.26	
Traffic and car-service balances receivable	1,037,738.87	
Net balance receivable from agents and		
conductors	666,330.69	
Miscellaneous accounts receivable.....	1,938,715.57	
Material and supplies.....	3,325,276.92	
Interest and dividends receivable.....	28,792.72	
Rents receivable.....	31,457.27	
Other current assets.....	7,620.44	
Total current assets.....		9,915,096.24
DEFERRED ASSETS:		
Working fund advances.....	\$117,500.38	
Insurance and other funds.....	134,799.60	
Other deferred assets.....	93,027.28	
Total deferred assets.....		345,327.26
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in		
advance	\$22,498.22	
Other unadjusted debits.....	2,373,685.14	
Total unadjusted debits.....		2,396,183.36
TOTAL ASSETS.....		\$234,983,472.98
CONTINGENT ASSET:		
Additional Black Tom Claim not included		
above		\$2,703,539.48

NOTE:—The item Investment in Road represents only road property of Lehigh Valley Railroad Company proper (Phillipsburg, N. J., to Wilkes-Barre, Pa.). The total road and equipment investment of the system, including transportation subsidiaries, owned by your Company, is \$253,145,344.48.

LEHIGH VALLEY RAILROAD COMPANY

DECEMBER 31, 1937

LIABILITIES

STOCK:

Common stock.....	\$60,501,700.00	.....
Preferred stock.....	36,150.00	.....
Total stock outstanding.....		\$60,537,850.00
Grants in aid of construction.....		118,520.55

LONG-TERM DEBT:

Funded debt.....	\$117,936,000.00	.....
Less—Funded debt held in treasury or pledged	28,000,000.00	.....
	89,936,000.00	.....
Equip. Trust Certificates Series V.....	4,508,000.00	.....
Public Works Administration Loan (R. F. C.)	1,333,000.00	.....
Manufacturers Trust Co., New York, Loan	5,000,000.00	.....
Non-negotiable debt to affiliated com- panies	824,013.05	.....
Total long-term debt outstanding...		101,601,013.05

CURRENT LIABILITIES:

Loans and bills payable.....	\$4,425,000.00	.....
Traffic and car-service balances payable	466,451.94	.....
Audited accounts and wages payable....	2,660,675.77	.....
Miscellaneous accounts payable.....	598,309.42	.....
Interest matured unpaid.....	391,680.00	.....
Dividends matured unpaid.....	28,767.30	.....
Unmatured interest accrued.....	697,935.82	.....
Unmatured rents accrued.....	503,366.66	.....
Other current liabilities.....	226,839.55	.....
Total current liabilities.....		9,999,026.46

DEFERRED LIABILITIES:

Liability for provident funds.....	\$7,010.72	.....
Other deferred liabilities.....	1,330,014.23	.....
Total deferred liabilities.....		1,337,024.95

UNADJUSTED CREDITS:

Tax liability.....	\$3,694,084.34	.....
Insurance and casualty reserve.....	75,000.00	.....
Accrued depreciation—Equipment.....	25,597,208.97	.....
Accrued depreciation—Miscellaneous physical property.....	48,446.54	.....
Other unadjusted credits.....	2,420,184.13	.....
Total unadjusted credits.....		31,834,923.98

CORPORATE SURPLUS:

Additions to property through income and surplus.....	\$496,494.66	.....
Profit	29,058,619.33	.....
Total corporate surplus.....		29,555,113.99

TOTAL LIABILITIES.....

CONTINGENT LIABILITIES:

Lehigh Valley Coal Co. 6% Notes due 1-1-38		\$2,480,000.00
New Jersey State taxes—not accrued...		\$2,254,448.80

LEHIGH VALLEY RAILROAD COMPANY

INCOME STATEMENT

For the Years Ended December 31, 1937 and 1936

	1937	1936	INCREASE OR Decrease
AVERAGE MILES OF ROAD OPERATED...	1,318.58	1,332.10	13.52
OPERATING REVENUES:			
Anthracite coal freight revenue...	\$15,141,484.94	\$15,964,407.66	\$822,922.72
Bituminous coal freight revenue...	1,278,510.60	1,412,285.44	133,774.84
Merchandise freight revenue.....	26,480,969.91	25,899,372.95	581,596.96
Passenger revenue.....	2,621,860.91	2,670,937.19	49,076.28
Mail revenue.....	321,292.51	322,915.80	1,623.29
Express revenue.....	375,059.95	407,769.46	32,709.51
Other transportation revenue.....	1,675,608.22	1,760,499.93	84,891.71
Incidental revenue.....	724,062.28	718,190.65	5,871.63
Total Operating Revenues.....	\$48,618,849.32	\$49,156,379.08	\$537,529.76
OPERATING EXPENSES:			
Maintenance of way and structures.	\$3,214,304.62	\$3,043,875.35	\$170,429.27
Maintenance of equipment.....	9,648,120.31	8,446,020.22	1,202,100.09
Traffic expenses.....	1,355,389.96	1,354,299.53	1,090.43
Transportation expenses.....	21,115,463.63	20,410,966.64	704,496.99
Miscellaneous operations.....	253,451.04	237,653.17	15,797.87
General expenses.....	1,595,099.03	1,756,682.47	161,583.44
Transportation for investment—Cr.	2,631.13	1,851.11	780.02
Total Operating Expenses.....	\$37,179,197.46	\$35,247,646.27	\$1,931,551.19
NET OPERATING REVENUE.....	\$11,439,651.86	\$13,908,732.81	\$2,469,080.95
DEDUCTIONS FROM REVENUE:			
Railway tax accruals.....	\$2,701,704.27	\$3,071,076.38	\$369,372.11
Equipment rents—net.....	2,384,294.00	1,910,328.91	473,965.09
Joint facility rents—net.....	108,199.35	226,369.67	118,170.32
NET RAILWAY OPERATING INCOME	\$6,245,454.24	\$8,700,957.85	\$2,455,503.61
OTHER INCOME:			
Misc. non-operating physical property	\$33,982.85	\$50,602.52	\$16,619.67
Separately operated properties-profit	85,834.87	86,039.54	204.67
Dividend income.....	161,164.74	135,488.08	25,676.66
Income from funded securities.....	545,304.77	488,782.61	56,522.16
Income from unfunded securities and accounts.....	53,431.14	33,680.30	19,750.84
Miscellaneous income.....	179,595.29	169,395.74	10,199.55
Total Other Income.....	\$1,059,313.66	\$963,988.79	\$95,324.87
Total Income.....	\$7,304,767.90	\$9,664,946.64	\$2,360,178.74
DEDUCTIONS FROM INCOME:			
Rent for leased roads.....	\$2,665,510.15	\$2,668,415.82	\$2,905.67
Miscellaneous rents.....	305,206.30	302,518.76	2,687.54
Miscellaneous tax accruals.....	243,622.68	192,037.31	51,585.37
Separately operated properties-loss	.....	1,671.46	1,671.46
Interest on funded debt.....	4,404,786.58	4,318,986.74	85,799.84
Interest on unfunded debt.....	142,004.49	344,655.01	202,650.52
Miscellaneous income charges.....	442,191.05	512,836.74	70,645.69
Total Deductions from Income...	\$8,203,321.25	\$8,341,121.84	\$137,800.59
Net Income.....	\$898,553.35	\$1,323,824.80	\$2,222,378.15

LEHIGH VALLEY RAILROAD COMPANY

Statement of Funded Debt, December 31, 1937

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	IN TREASURY OR PLEDGED	IN HANDS OF PUBLIC	INTEREST		
					RATE	PAYABLE	ACCURED DURING YEAR
LEHIGH VALLEY RAILROAD COMPANY:							
First Mortgage Bonds	May 15, 1868	June 1, 1948	.....	\$5,000,000	4%	June and Dec.	\$200,000.00
Consolidated Mortgage Bonds	Nov. 13, 1873	{ Perpetual	.....	10,062,000	6%	June and Dec.	603,720.00
*General Consolidated Mortgage Bonds	Sept. 30, 1903	May 1, 2003	{ \$1,000,000	39,639,000	4½%	June and Dec.	114,210.00
Equipment Trust Certificates Series V	Dec. 14, 1934	Various amounts semi-annually to Feb. 1, 1951	24,400,000	20,697,000	4½%	May and Nov.	1,585,560.00
Registered Serial Collateral Notes	Various	\$111,000 semi-annually to Aug. 1, 1943	.....	4,508,000	5%	May and Nov.	931,365.00
Manufacturers Trust Co., New York, Loan	Mar. 1, 1937	Mar. 1, 1940	.....	1,333,000	4%	Feb. and Aug.	186,643.34
Equipment Obligations	Dec. 16, 1930	Nov. 15, 1937	.....	5,000,000	2½%	Monthly	55,761.67
Equipment Trust Certificates Series T & U	Mar. 1, 1932	\$208,000 semi-annually to Mar. 1, 1937	.....	.....	5½%	May and Nov.	104,590.82
*Reconstruction Finance Corporation Loan	Various	{ Apr. 29, 1938	.....	.....	5%	Mar. and Sept.	1,821.89
CONSOLIDATED REAL ESTATE COMPANY:							
First Mortgage Bonds	Feb. 1, 1906	{ Jan. 1, 1938	.....	.....	4%	Apr. and Oct.	1,716.66
Total Funded Debt and Interest .....	.....	Feb. 1, 1956	2,600,000	.....	4%	Jan. and July	32,328.71
			\$28,000,000	\$100,777,000	.....	Feb. and Aug.	.....
					.....	.....	\$184,417,718.09

* Amount of authorized issue, \$150,000,000

* Renanced March 1, 1937.

† Excludes interest on securities pledged.

Guaranties and Rentals, December 31, 1937

FIRST MORTGAGE GUARANTIES	DATE OF ISSUE	DATE OF MATURITY	IN TREASURY OR PLEDGED	IN HANDS OF PUBLIC	GUARANTIES AND RENTALS		
					RATE	PAYABLE	ACCURED DURING YEAR
Easton & Northern Railroad Co.	Oct. 7, 1895	Nov. 1, 1937	.....	\$4,000	4½%	May and Nov.	\$11,250.00
Penna. & N. Y. Canal & R. R. Co. Consol.	Nov. 13, 1888	Apr. 11, 1939	.....	{ 4,000,000	5%	Apr. and Oct.	200,000.00
Lehigh Valley Terminal Ry. Co.	Oct. 1, 1891	Oct. 1, 1941	.....	1,500,000	4½%	Apr. and Oct.	67,500.00
Greenville & Hudson Ry. Co.	Apr. 1, 1897	Apr. 1, 1997	.....	3,000,000	4%	Apr. and Oct.	120,000.00
Irrington R. R. Co.	Feb. 1, 1906	Feb. 1, 1956	\$1,000	9,999,000	5%	Apr. and Oct.	500,000.00
The Lehigh Valley Rail Way Co.	June 23, 1890	July 1, 1940	125,000	.....	4%	Apr. and Oct.	17,500.00
Lehigh-B&O. Term. Ry. Corp'n.	Nov. 1, 1916	Nov. 1, 1966	5,000,000	15,000,000	4½%	Feb. and Aug.	5,000.00
Middlesex Valley Railroad Co.	Aug. 26, 1892	Nov. 1, 1942	.....	180,000	4½%	Jan. and July	675,000.00
Rochester Southern R. R. Co.	Nov. 1, 1895	Nov. 1, 1945	425,000	.....	5%	May and Nov.	225,000.00
Seneca County Ry.	Feb. 1, 1903	Feb. 1, 1983	500,000	.....	5%	May and Nov.	30,000.00
The Lehigh & Lake Erie R. R. Co.	Mar. 1, 1907	Mar. 1, 1957	.....	3,000,000	4½%	Feb. and Aug.	25,000.00
Lehigh Valley Harbor Terminal Ry. Co.	Feb. 1, 1924	Feb. 1, 1954	.....	10,000,000	5%	Mar. and Sept.	135,000.00
Lehigh & New York R. R. Co.	Aug. 24, 1895	Sept. 1, 1945	.....	2,000,000	4%	Feb. and Aug.	500,000.00
Total .....	.....	.....	\$6,821,000	\$48,683,000	.....	Mar. and Sept.	80,000.00
RENTALS—LINES NOT OWNED:							\$2,612,500.00
State Line and Sullivan Railroad Co. ....	.....	.....	.....	.....	.....	.....	.....
Raritan Terminal and Transportation Co. ....	.....	.....	.....	.....	.....	.....	.....
New York Central Railroad Co. (Tonawanda Junction to Suspension Bridge, N. Y., 15.76 Miles)	.....	.....	.....	.....	.....	.....	\$20,192.75
Taxes charged as Rentals .....	.....	.....	.....	.....	.....	.....	2,000.00
Total Interest and Rentals .....	.....	.....	.....	.....	.....	.....	17,201.76
							13,615.64
							\$2,665,510.15

*Includes interest on securities in treasury or pledged.

LEHIGH VALLEY RAILROAD COMPANY

Operating Statistics for the Years Ended December 31, 1937 and 1936

	1937	1936	Increase or Decrease	Per Cent.
TRAIN AND LOCOMOTIVE MILEAGE				
Revenue freight train miles—locomotive...	4,239,550	4,567,864	328,314	7.19
Revenue passenger train miles—locomotive.	1,662,205	1,887,228	225,023	11.92
Revenue milk and express train miles— locomotive	646,883	652,257	5,374	.82
Total revenue service train miles—loco- motive	6,548,638	7,107,349	558,711	7.86
Revenue freight train miles—motor.....	20,972	27,807	6,835	24.58
Revenue passenger train miles—motor.....	631,184	590,065	41,119	6.97
Total revenue service train miles— motor	652,156	617,872	34,284	5.55
Total revenue service train miles.....	7,200,794	7,725,221	524,427	6.79
Helping and light freight locomotive miles.	1,005,357	910,447	94,910	10.42
Helping and light passenger locomotive miles	220,035	233,025	12,990	5.57
Helping and light passenger motor miles...	2,264	2,887	623	21.58
Total revenue service locomotive miles, ex- cluding switching and motor.....	7,774,030	8,250,821	476,791	5.78
Switching locomotive miles.....	4,365,924	4,373,190	7,266	.17
Switching motor miles.....	5,940	5,832	108	1.85
Total revenue service locomotive miles, excluding motor.....	12,139,954	12,624,011	484,057	3.83
Non-revenue service locomotive miles.....	196,766	257,438	60,672	23.57
Non-revenue service motor miles.....	9,443	9,516	73	.77
Per cent. helping and light of revenue ser- vice locomotive miles, excluding switch- ing and motor.....	15.76	13.86	1.90	13.71
CAR MILEAGE				
Freight car mileage—loaded.....	161,989,379	157,131,039	4,858,340	3.09
Freight car mileage—empty.....	79,185,789	77,395,393	1,790,396	2.31
Freight car mileage—caboose.....	4,379,265	4,696,289	317,024	6.75
Total freight car miles.....	245,554,433	239,222,721	6,331,712	2.65
Average number of all freight cars per train	57.63	52.05	5.58	10.72
Per cent. loaded of total car miles.....	65.97	65.69	.28	.43
Passenger car miles—including Pullman..	11,461,956	12,750,216	1,288,260	10.10
Baggage, dining, mail, express and milk car miles	12,153,345	12,717,077	563,732	4.43
Total passenger car miles.....	23,615,301	25,467,293	1,851,992	7.27
Average number of passenger train cars per passenger train.....	8.03	8.14	.11	1.35
GROSS TON MILES AND TRAIN HOURS				
Gross ton miles excluding locomotives (thousands).....	9,979,726	9,554,878	424,848	4.45
Total freight train hours (thousands) ...	241,721	261,891	20,170	7.70
Gross tons per train.....	2,380	2,121	259	12.21
Gross ton miles per train hour.....	41,286	36,484	4,802	13.16

LEHIGH VALLEY RAILROAD COMPANY

Traffic Statistics for the Years Ended December 31, 1937 and 1936

	1937	1936	INCREASE OR Decrease	PER CENT.
Average miles of road operated..	1,318.58	1,332.10	13.52	1.01
FREIGHT TRAFFIC				
Tons of revenue freight carried..	23,604,007	22,163,476	1,440,531	6.50
Ton miles revenue freight.....	4,281,076,244	3,977,344,858	303,731,386	7.64
Miles per revenue ton.....	181.37	179.45	1.92	1.07
Freight revenue.....	\$42,900,965.45	\$43,276,066.05	\$375,100.60	.87
Revenue per ton.....	\$1.82	\$1.95	\$.13	6.67
Revenue per ton mile—cents.....	1.002	1.088	.086	7.90
Tons of rev. freight per revenue. freight train.....	1,004.82	865.45	139.37	16.10
Average number of tons of all freight in each loaded car.....	27.10	26.07	1.03	3.95
PASSENGER TRAFFIC				
Revenue passengers carried.....	1,169,964	1,068,816	101,148	9.46
Revenue passengers carried one mile	132,387,278	126,332,001	6,055,277	4.79
Average distance carried—miles.	113.15	118.20	5.05	4.27
Revenue from passengers.....	\$2,621,860.91	\$2,670,937.19	\$49,076.28	1.84
Revenue per passenger.....	\$2.24	\$2.50	\$.26	10.40
Revenue per passenger mile—cts.	1.98	2.11	.13	6.16
Passenger service train revenue..	\$4,131,955.68	\$4,322,499.14	\$190,543.46	4.41
Average revenue passengers per car	12	10	2	20.00
Average revenue passengers per train (including mixed).....	58	51	7	13.73
REVENUES AND EXPENSES				
Operating revenues.....	\$48,618,849.32	\$49,156,379.08	\$537,529.76	1.09
Operating expenses.....	\$37,179,197.46	\$35,247,646.27	\$1,931,551.19	5.48
Net operating revenue.....	\$11,439,651.86	\$13,908,732.81	\$2,469,080.95	17.75
Operating Ratio.....	76.47%	71.71%	4.76%	6.64

LEHIGH VALLEY RAILROAD COMPANY

Additions and Betterments, Entire System, Year Ended December 31, 1937

	EXPENDITURES AND CHARGES	RETIREMENTS	NET AMOUNT
Engineering	\$48,309.18	\$20,317.45	\$27,991.73
Land for transportation purposes....	2,566.32	28,639.64	26,073.32
Grading	185,736.29	239,459.00	53,722.71
Tunnels and subways.....	.....	1,384,436.43	1,384,436.43
Bridges, trestles and culverts.....	15,835.52	69,214.90	53,379.38
Ties	7,075.77	201,953.60	194,877.83
Rails	19,732.18	242,191.14	222,458.96
Other track material.....	62,074.37	135,198.34	73,123.97
Ballast	31,326.13	43,322.42	11,996.29
Track laying and surfacing.....	26,713.57	158,014.39	131,300.82
Fences, snowsheds and signs.....	20.29	15,987.67	16,007.96
Station and office buildings.....	75,165.75	156,707.00	81,541.25
Roadway buildings.....	23,083.64	84,084.10	112,167.74
Water stations.....	6,617.60	37,488.28	30,870.68
Fuel stations.....	74.10	21,416.14	21,490.24
Shops and engine houses.....	13,832.60	147,809.23	133,976.63
Wharves and docks.....	73,135.42	.....	73,135.42
Coal and ore wharves.....	3,822.14	165,657.86	161,835.72
Telegraph and telephone lines.....	2,415.21	11,938.89	14,354.10
Signals and interlockers.....	79,691.46	111,022.88	31,331.42
Power plants.....	247.78	.....	247.78
Power transmission systems.....	3,440.64	4,342.23	901.59
Miscellaneous structures.....	743.18	.....	743.18
Roadway machines.....	25,720.69	38,189.81	12,469.12
Public improvements—construction...	173,511.56	757.43	172,754.13
Shop machinery.....	99,219.82	102,544.34	3,324.52
Power plant machinery.....	4,682.90	62,855.25	67,538.15
Steam locomotives.....	312,959.89	349,670.16	36,710.27
Other locomotives.....	318,546.18	.....	318,546.18
Freight train cars.....	213,872.26	1,440,254.40	1,226,382.14
Passenger train cars.....	24,619.20	682,857.51	658,238.31
Floating equipment.....	934.69	370,968.40	370,033.71
Work equipment.....	25,353.37	59,651.26	34,297.89
Miscellaneous equipment.....	25,926.72	12,947.89	12,978.83
General expenditures.....	4,160.52	5,643.25	9,803.77
Total	\$1,846,659.42	\$6,279,830.79	\$4,433,171.37

LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1937 and 1936

COMMODITIES	1937		1936	
	TONS	PER CENT.	TONS	PER CENT.
Products of Agriculture.....	1,572,804	6.66	1,597,164	7.21
Animals and Products.....	430,454	1.82	466,364	2.10
Products of Mines.....	13,792,761	58.43	13,127,962	59.23
Products of Forests.....	350,521	1.49	295,623	1.33
Manufactures and Miscellaneous.....	7,117,810	30.16	6,351,478	28.66
Grand Total, Carload Traffic.....	23,264,350	98.56	21,838,591	98.53
All L.C.L. Freight.....	339,657	1.44	324,885	1.47
Grand Total Carload and L.C.L. Traffic	23,604,007	100.00	22,163,476	100.00





1937